United Nations A/56/229/Add.1

General Assembly

Distr.: General
20 September 2001

Original: English

Fifty-sixth session
Agenda item 103
Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

First United Nations Decade for the Eradication of Poverty (1997-2006)

Report of the Secretary-General*

Addendum

Activities of the United Nations system in support of national efforts

1. The present addendum contains those inputs from regional commissions and organizations of the United Nations system that were received too late to be included in annex II of the report of the Secretary-General on the first United Nations Decade for the Eradication of Poverty (1997-2006) (A/56/229).

A. Regional Commissions

Economic Commission for Africa

2. The Economic Commission for Africa reported that, of the estimated 1.2 billion people who survive on less than $1 a day, 340 million live in Sub-Saharan Africa. Compared to other regions of the world, Sub-Saharan Africa has the highest incidence of poverty. Poverty in Africa is endemic, and has become a catalyst for the violent conflicts that have led to the displacement of large populations in countries such as Burundi, Rwanda, Uganda, the Democratic Republic of the Congo and Sierra Leone, as well as to environmental degradation, the spread of HIV/AIDS as well as other diseases such as multi-drug resistant tuberculosis and malaria. Many African countries have demonstrated their commitment to the goals of the United Nations Decade for the Eradication of Poverty by putting in place a variety of programmes to alleviate poverty. However other countries have been unable to match their policy pronouncements with action.

3. During the 1990s, Sub-Saharan Africa is the only region of the world where poverty rates showed an increasing trend. This calls for aggressive efforts on the part of African Governments to adhere to the 2015 goal of reducing the number of people in poverty by half. It is therefore a welcome development that in the New African Initiative, adopted by African Heads of State and Governments in Lusaka, Zambia, in July 2001, African Governments reaffirmed their commitment to achieving that goal by 2015. The New African

* The submission of the present report was delayed because it includes inputs from the specialized agencies and the regional commissions, which were received after the publication deadline.

01-54589 (E) 041001

Initiative articulates the strategies that the continent will pursue in order to realize this goal, including a new emphasis on agricultural and rural development, sound macroeconomic management, emphasis on good governance and mutually rewarding collaboration with the international community. The Economic Commission for Africa is finalizing a document, which will serve as the operational document for the "New African Initiative", setting fourth in precise detail the sector-specific policies that African countries need to pursue in order to actualize the ambitious goals articulated in the New Initiative for tackling poverty and the diseases of poverty.

4. For its part, the Economic Commission for Africa, consistent with its mandate, is assisting African Governments in their goal of reducing poverty. In 1999, the Commission's flagship publication, *Economic Report on Africa*, which was dedicated to the analysis of poverty and poverty eradication measures in Africa, had as its main conclusion that in order for Africa to achieve significant success in poverty reduction, the gross domestic product (GDP) per capita must grow at an annual rate of about 7 per cent for a sustained period of time. Evidence shows, however, that the task of reducing poverty on the African continent remains great in spite of efforts already made and those currently under way. In order to meet the target of reducing poverty by half by 2015, a global strategy needs to be adopted by the international community. Such a strategy must: (a) help increase poor countries access to labour augmenting technologies; (b) help to increase the ability of developing countries to gain access for their commodities in the markets of the developed countries; (c) increase access for developing countries to health care and health care products in industrialized countries; and (d) improve incentives for agricultural research and the adoption of technological innovations at the national level. The objective is to empower poor people by making them co-equal creators of wealth; and (e) develop a more effective partnership to harness the expertise of all stakeholders — Governments, the private sector, voluntary organizations and civil society — to combat poverty.

Economic Commission for Latin America and the Caribbean

5. The Economic Commission for Latin America and the Caribbean reported that, through efforts in the 1990s, reductions were made in the percentage of poor households and in the severity of poverty in that region. In aggregate terms, the decrease allowed the region to regain much of the ground it had lost during the 1980s. Nevertheless, the relative urban poverty and rural indigence rates are still higher than they were 20 years ago. One of the positive features seen in the 1990s is the success achieved by Brazil, Chile and Panama in lowering poverty rates by more than 10 percentage points even though they had very different per capita economic growth rates.

6. During the second half of the 1990s, the Dominican Republic, Mexico and most of the Central American countries witnessed steady economic growth, and a number of them made headway in combating poverty. Most of the South American countries, on the other hand, experienced economic slowdowns and/or stagnation, followed by a reactivation; in some cases, living conditions remained unchanged or even deteriorated. All in all, the number of persons living in poverty in Latin America rose slightly (from 204 million to 211 million) during the period from 1997 to 1999, but the percentages of poor households and poor people remained more or less constant.

7. Preliminary projections for Latin America as of 2000, which are mainly based on the macroeconomic behaviour of individual countries, indicate that poverty in the region may exhibit a declining trend thanks to the faster growth rates recorded last year, particularly in Mexico and Brazil, which together account for over half of Latin America's total population. Thus, for 2000, the percentage of poor households is estimated to be around 34 per cent while the figure for indigent households may hold fairly steady at about 14 per cent.

8. If these projections are borne out, then the new decade will have started off with fewer poor people than there were in 1999, thereby halting the upward trend that marked the 1990s. The estimated decrease in the poor population would amount to 1.9 million persons and would reduce that population to approximately 210 million. The figures also point to a resumption of progress in reducing extreme poverty, with a projected decrease of around 2 million for a total indigent population of about 87 million people.

9. The objective of halving current rates of extreme poverty by 2015 as agreed upon at the twenty-fourth special session of the General Assembly and in the Declaration of the Millennium Assembly, will require a significant but feasible effort on the part of many of the countries in Latin America. Given existing modes of

development, economic growth will be a major factor. According to studies carried out by the Commission on the correlation between economic growth and the evolution of poverty[1] for the region as a whole, during the 1990s each percentage point of growth lowered the rate of extreme poverty by 1.21 per cent. There was a wide dispersion around this mean, however, since the effects of poverty reduction were more strongly felt in urban areas than in rural ones and in countries with poverty levels below the regional average (18 per cent) than in those with higher rates of poverty.

10. At the present time, at the start of the new millennium, it is estimated that 18 per cent of Latin America's population (given that the average size of households is higher in the poorest segments of population) is living in extreme poverty. If the region is to succeed in halving the current rate of indigence, it will have to register an average annual growth rate of 2.3 per cent in GDP per capita for the next 15 years, which means that total economic activity will have to expand by an average annual rate of at least 3.8 per cent. Although this is feasible, under current conditions it represents a formidable challenge since, on a 10-year average, the region has not had a growth rate that high since the 1970s. In fact, if the economic stagnation or contraction now being experienced by some countries persists, and if per capita GDP growth for the region as a whole remains the same as in the 1990s (1.5 per cent annually), it will take approximately 23 years to cut indigence rates in half.

11. This is clearly an ambitious and challenging undertaking. In Latin America, it means that in the next 15 years efforts will need to focus on promoting and implementing economic and social development policies that will give millions of people access to a basic level of consumption, health conditions and employment. Achieving that goal will also call for a determined effort to align economic development policies with population growth so that discrepancies among the two do not erode progress towards providing more resources to poor families.

12. All things considered, it appears that Latin America will have to mount a prodigious, yet viable, effort to meet the poverty-reduction goal set by the United Nations for the next 15 years. It should be borne in mind, however, that some countries are in a much better position to do so than others, given the differences mentioned earlier. Accordingly, any analysis of this situation, and particularly the associated projections, will need to take additional elements into account in each specific case in order to arrive at a more accurate picture of the magnitude of the challenge involved in halving the level of extreme poverty within 15 years.

13. A more ambitious objective for Latin America, and one which is commensurate with the region's relative degree of advancement within the international context, would be to halve not only extreme poverty but also the percentage of non-indigent poor persons. In aggregate terms, meeting this goal would entail achieving annual per capita GDP growth averaging 2.9 per cent for the next 15 years. In the case of those economies with higher poverty rates, they would have to post annual per capita GDP growth rates of nearly 4 per cent. Again, this should be judged against the average gain in per capita GDP in the 1990s, which, as mentioned above, was only 1.5 per cent annually.

B. Organizations of the United Nations system

World Bank

14. The World Bank reported that the international development goals provide a standard for measuring progress in the eradication of poverty. The goals come from the agreements and resolutions of the world conferences organized by the United Nations in the first half of the 1990s. Many of the goals were incorporated into the resolutions adopted at the Millennium Summit in September 2000. The World Bank, the International Monetary Fund and the Organisation for Economic Cooperation and Development have also adopted them.

15. Reaching the goals will not be easy. It will take commitment and concerted action by citizens, Governments and international agencies to turn pledges into reality. In this connection, the World Bank has indicated the following seven steps towards achieving the goals: (a) promotion of fast, sustainable growth that benefits the poor and reduces inequality; (b) strengthening the participation of poor people in political processes and local decision-making; (c) reduction of vulnerability to economic shocks, natural disasters, ill health and violence; (d) investment in people through education, health care and basic social services; (e) promotion of gender equity and elimination of other forms of social exclusion; (f) forging of effective partnerships between

civil society, Governments and international agencies; and (g) encouragement of public discussion of the goals and the means to achieve them.

Notes

[1] See Economic Commission for Latin America and the Caribbean, *Social Panorama of Latin America 2000-2001*, September 2001.